# Illinois Department of Insurance



2000

66th Annual Report and Summary of Annual Statements

George H. Ryan

GOVERNOR

Nathaniel S. Shapo

DIRECTOR



#### STATE OF ILLINOIS

#### DEPARTMENT OF INSURANCE 320 WEST WASHINGTON STREET SPRINGFIELD, ILLINOIS 62767-0001

GEORGE H. RYAN

GOVERNOR

NATHANIEL S. SHAPO

DIRECTOR

Honorable George H. Ryan Governor State of Illinois Springfield, Illinois

Dear Governor Ryan:

I am pleased to submit this Annual Report summarizing the activities and fiscal operations of the Department of Insurance in 2000.

A highlight of our consumer protection initiatives was the opening of our Office of Consumer Health Insurance (OCHI) to assist Illinois consumers with their health insurance problems and questions. During its first year of operation OCHI responded to nearly 11,000 telephone calls from all parts of the state, mailed 2,489 complaint forms, and distributed thousands of educational materials.

Illinois was fortunate to be one of eleven states to receive one-year federal grants to develop plans extending health insurance coverage to all citizens. Illinois' share of the grant is \$1.2 million. The goals of the State Planning Grant program, which was authorized by the U.S. Congress, are to identify characteristics of uninsured people in the state and to develop a proposal to provide them with health insurance coverage. The culmination of the grant will be the submission of the Illinois proposal to the Secretary of Health & Human Services. Illinois' planning process is being coordinated by a Steering Committee of representatives from several state agencies and the Office of the Governor. The Department of Insurance is pleased to be the lead agency.

An important financial regulation initiative was the expansion of the Department's regulatory authority over group workers compensation pools. Those entities are now subject to regulation of financial reporting, annual statements and admitted assets, including stronger obligations, duties, and management standards for directors/trustees of the pools and their administrators.

In the global arena, Illinois joined the international effort to settle the insurance claims of Holocaust victims and continued active involvement in the National Association of Insurance Commissioners, including implementation of projects being driven by the federal Gramm–Leach–Bliley Act. Department staff participated in NAIC working groups to address uniformity in market conduct examinations, to increase the speed at which insurance products are brought to market, to adopt requirements for reciprocity and uniformity in the licensing of non-resident insurance producers, and to develop a framework for privacy issues.

The Department's regulatory initiatives and a summary of the 2000 financial statements of all licensed insurance companies are outlined in the report that follows.

Respectfully submitted,

Nathaniel S. Shapo Director

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Nathaniel S. Shapo Director

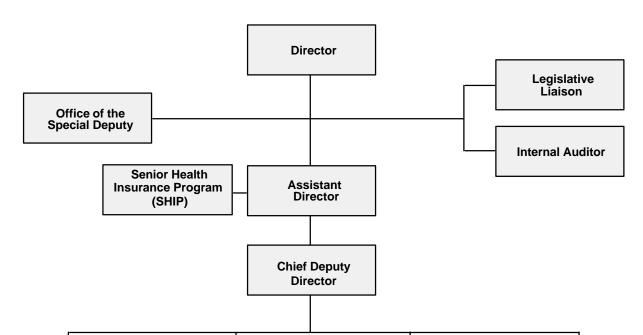


Madelynne Brown Assistant Director



Arnold Dutcher Chief Deputy Director

# Department Organization



#### Administrative Services Division

## Information Systems Section

## Personnel Management Section

#### **Record Services Section**

Mail/File Services Unit Microfilm/Quality Control Unit

## Staff Development and Training

#### Tax & Fiscal Services Section

Fiscal Services Unit Securities Unit Tax & Audit Unit

#### Word Processing Section

#### Consumer Market Division

## Life/Accident & Health Compliance Section

HMO Compliance Unit L/A&H Compliance Unit Office of Consumer Health Insurance

## Property/Casualty Compliance Section

P&C Compliance Unit

## Consumer Services Section

L/A&H Unit P&C Unit Outreach Program

#### **Cost Containment Section**

#### **Market Conduct Section**

#### **Producer Section**

Licensing & Communication/ Education Units Producer Regulatory Unit

#### **Legal Division**

#### Counsel

#### **Hearings**

#### **Procurement Management**

**Rules Unit/FOIA** 

## Financial-Corporate Regulatory Division

#### **Casualty Actuarial Section**

#### Life Actuarial Section

## Corporate Regulation Section

L/A&H Corporate Unit P&C Corporate Unit Non-Admitted Insurers Regulatory Unit

#### L/A&H Examination Section

#### **P&C Examination Section**

## Financial Regulation Section

HMO Financial Analysis Unit L/A&H Financial Analysis Unit

P&C Financial Analysis Unit L/A&H Regulatory Action Unit

P&C Regulatory Action Unit

**Public Pension Section**